



**DEPARTMENT OF CORRECTIONS  
Chief Financial Office**



<b>Title:</b>	<b>Donations</b>	<b>DOC Policy: 30.1.7</b>
<b>Effective:</b>	<b>02/23/18</b>	<b>Supersedes: 07/01/13</b>
<b>Applicability: All functional units</b>		
<b>Directives Cross-Reference: OAM 10.10.00.PO, IRS Publication 526, ORS 179.105, ORS 421.068, OAR 291-156-0010(s), OAR 166-300-040p.20 DOC Policy 30.2.1 Fixed Assets, DOC Policy 30.1.3 Receipting, Securing, and Depositing Funds</b>		
<b>Attachments:</b> <b>CD 1591: Acknowledgement of Contribution Through Volunteer Activity</b> <b>CD 1609: Receipt for Contribution/Donation Form</b> <b>CD 1610: Cost Center Request</b>		

**I. PURPOSE**

To establish policies and procedures for acceptance of gifts or donations made to the Oregon Department of Corrections.

**II. DEFINITIONS**

- A. **Cash Donations:** Cash contributions include those paid by cash, check, money order, credit card, or payroll deduction.
- B. **Controlled Property:** Property assigned an inventory tag number and placed on the automated inventory tracking system.
- C. **Contributions of Personal Property:** The term personal property means any property, other than land or buildings. It may include furniture, books, jewelry, paintings, and cars or any other thing.
- D. **Donation and/or Charitable Contribution:** A financial or non-financial donation or gift to, or for the use of the Department of Corrections, a qualified organization. It is voluntary and is made without getting, or expecting to get, anything of equal value.
- E. **Fair Market Value:** The price at which property would change hands between a willing buyer and a willing seller, neither having to buy or sell, and both having reasonable knowledge of all the relevant facts.
- F. **Functional Unit:** Any organizational component within the Department of Corrections responsible for the delivery of services or coordination of programs.
- G. **Functional Unit Manager:** Any person within the Department of Corrections who reports to the Director, Deputy Director, an Assistant Director, or an administrator and has responsibility for the delivery of programs services or coordination of program operations.
- H. **Inmate Welfare Fund:** An account established with the State Treasurer pursuant to ORS 421.068 and OAR 291-156, dedicated to provide monies to benefit the general inmate population and enhance inmate activities and programs, including education programs.
- I. **Qualified Organizations:** Qualified organizations include, but are not limited to, federal, state, and local governments and organizations organized and operated for charitable,

religious, educational, scientific, or literary purposes. Contributions to federal, state, and local governments are deductible only if solely for public purposes (for example, a gift to reduce the public debt).

- J. Real property: Real property is land and generally anything that is built on, growing on, or attached to land.
- K. Restricted Donations: Any donation made that is restricted to a specific purpose or use.
- L. Solicitation: Any oral, written or graphic notice given in a manner designed to attract public attention and includes without limitation, public broadcasts, and notices published in the written and electronic press as well as telephone and mail solicitations used to encourage any type of action by the person solicited relating to a promotion.

### III. POLICY

#### A. General

1. As a State of Oregon agency, the Department of Corrections is qualified to receive donations from public and private sources that choose to donate to the department's programs, activities, operations, or mission.
2. Donations may be cash, checks, money orders, electronic deposits, etc. or real or personal property.
  - a. All donations that are accepted by the department become the property of the department and are subject to the same laws, policies, rules and guidelines established for the use of, expenditure of, or disposition of assets acquired by or belonging to the department having been appropriated or received from any other source.
  - b. Additional rules and restrictions apply to donations and are described in this policy.

#### B. Cash Donations

1. Monies donated to the department for a purpose specified by the donor shall be used solely for the purpose specified (ORS 179.105). If no purpose is specified for the donation, the monies shall be deposited to the Inmate Welfare Fund.
2. Monies received through donation shall be deposited into the department's account at the Oregon State Treasury as per the DOC policy on **Receipting, Securing, and Depositing Funds** 30.1.3, Section C. Such donations will be recorded as revenues to the Other Funds cost center established for the program or purpose specified for the donation or to the Inmate Welfare Fund if none are specified.
  - a. If the program, institution or activity for which a donation was made does not have an "Other Funds" cost center established for donations, the functional unit manager shall utilize the Cost Center Request form (CD 1610) to request an other funds cost center be established.
  - b. Restricted donations will be handled on a case-by-case basis. Staff shall contact the Fiscal Services controller or the assigned budget analyst for further instructions if they receive restricted donations.
3. To be expended lawfully, donated funds are subject to expenditure limitation. If limitation does not exist in an amount adequate to expend the amount of donations

received, the agency shall request additional limitation from the Legislature or E-Board. No expenditures shall be made prior to such limitation being approved, unless Other Funds limitation is approved by the Chief Financial Officer to be rebalanced from another fund within the appropriation.

4. Once deposited to a cost center, any donated funds to be expended must be expended according to laws, rules, policies, and procedures pertaining to purchasing and to the expenditure of state funds. Staff shall contact the Financial Services Operations Administrator or assigned Purchasing analyst for assistance.
5. Any monies remaining in a cost center established for donations at the completion of the project or activity or at a point where the program, project, or activity has been closed or discontinued shall be transferred by the Budget Office to the Inmate Welfare Fund.

### **C. Issuance of a Cash Receipt**

1. When donations of cash are received directly by the program area or institution, the functional unit manager or his/her designee shall utilize the Receipt for Contribution/Donation form (CD 1609) to provide a receipt to the donor. The receipt shall be delivered to the donor by hand or by mail. A copy the receipt shall be included with the deposit that is to be sent to Central Accounting.
2. When donations of cash are received at Central Accounting directly, Central Accounting shall mail the receipt form to the donor.

### **D. Donations of Real or Personal Property**

1. Donations of real property are at the Director's discretion and must be approved by the Director prior to acceptance.
2. Donations of personal property must be approved by the functional unit manager. Personal property offered to the department will only be accepted if the property is in a condition and is for a use that is compatible with the program, activity, or institution for which it is offered. DOC is not established with authority to re-sell items and; therefore, donations offered must be of use to be accepted.
3. Upon acceptance of a non-cash donation, the functional unit manager shall utilize the Receipt for Contribution/Donation form (CD 1609) to provide a receipt to the donor. The donor shall provide the value of the item(s) donated.
  - a. If an item is valued at \$5,000 or greater, the donor shall provide at his/her own cost an independent appraisal of the property.
  - b. Signature of the functional unit manager does not indicate endorsement of the value of the donation, merely that the donation was received, and should not be used as proof for uses such as, but not limited to, tax filings, estate valuations and insurance claims.
4. The functional unit manager shall forward a copy of all donation receipts, appraisals, and any other supporting documentation received to Central Accounting so that the value of the donation may be recorded in the accounting records. Items valued at \$5,000 or greater shall be recorded as donated capital assets.
5. If a donation includes items that are considered controlled property as per DOC policy on **Fixed Assets** 30.2.1, or includes items valued at \$5,000 or greater, the functional

unit manager shall forward a copy of the receipts, appraisals, and any other supporting documents to Property Control to properly tag and record the items into inventory.

6. The department will not accept any tangible item for donation for which the donor has stipulated the condition that the item is to be returned to the donor upon disposition or at such time as it is no longer needed for the intended use of that item. All donations of tangible property shall convey ownership permanently and unconditionally to the department, but may be restricted as to what program or institution the donor prefers the item be used for.

#### **E. Solicitation of Donations**

1. Donations may be solicited to support department programs, activities, mission or operations. Information provided in this section is for use by DOC staff in handling donations. Donors who raise questions concerning the tax advantages of making donations should be instructed to consult their own tax advisor as the advantages to making donations.
2. Generally, donors can deduct their contributions of money or property made to, or for the use of the Department of Corrections, a qualified organization. Donations that result in the exchange of some goods or services are deductible only for the amount of the contribution that is more than the fair market value of the benefit received. For example, the donor pays \$40 for a music CD produced by a DOC inmate music program that is valued at \$10. Donors may deduct \$30 as a charitable contribution to the department.
3. A person donating property valued at more than \$5,000 must obtain a qualified written appraisal at their own expense.
4. There are some contributions that cannot be deducted. There are others where only part of the contribution can be deducted. Donors cannot deduct as charitable contribution:
  - a. A contribution to a specific individual
  - b. A contribution to a nonqualified organization
  - c. The part of a contribution from which the donor receives or expects to receive a benefit
  - d. The value of the donor's time or services
  - e. The donor's personal expenses
  - f. Appraisal fees, or
  - g. Partial interest in property

#### **F. Token items**

1. Tokens may be offered as part of a solicitation for donations of cash or real/personal property, or donated services such as volunteer activities. Donors may be able to deduct their entire donation to the department as a charitable contribution if both of the following are true:
  - a. They receive a small item or other benefit of token value.

- b. The department correctly determines that the value of the item or benefit received is not substantial and informs the donor that they can deduct their payment in full.

**G. Issuance of Receipts for Donations**

- 1. Any financial or non-financial donation must be acknowledged by a receipt. The acknowledgement must be written and include:
  - a. The name of the DOC program, unit or location of the contribution
  - b. The name and address of the donor or volunteer
  - c. The name and signature of the functional unit manager, volunteer supervisor or his/her designee
  - d. Date or calendar year for the contribution
  - e. Amount of any cash contribution
  - f. Description of non-cash contributions
- 2. Specific instructions are included in the forms for Donation of Contributions (CD 1609) and Acknowledgement of Contribution through Volunteer Activity (CD 1591).

**H. Archival of Receipts for Donations**

- 1. Records of receipts given to donors of money or goods shall be retained by Central Accounting for six years and then destroyed.
- 2. Records of receipts given to volunteers are to be retained within the program that received the services for a period of five years following the date of separation of service of the volunteer.

**I. Donations by DOC to charitable organizations**

Donations of any items considered to be surplus and no longer needed by the department may be disposed of through the PDR process described in DOC policy on **Fixed Assets** 30.2.1.

**J. Volunteer Services**

Policy issues concerning volunteers are contained in the DOC policy on **Volunteers/ Student Interns** 90.2.6.

**VI. IMPLEMENTATION**

This policy will be adopted immediately without further modification.

Certified: \_\_\_signature on file\_\_\_\_\_   
Michelle Mooney, Rules Coordinator

Approved: \_\_\_signature on file\_\_\_\_\_

Brian Belleque, Deputy Director